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340B Provider Notice
April 1, 2025

In January 2022, the Department for Medicaid Services (DMS) launched a new 340B program that would allow Covered Entities and Third Party Administrators to submit 340B claims, including those from contract pharmacies. As part of that new program, DMS amended 907 KAR 23:020 to require covered entities to submit a Kentucky Medicaid 340B Participation Form. If your entity has not submitted a participation form, contact DMS at DMS340b@ky.gov.

DMS is providing updates regarding testing efforts, the 90-day notice to entities, expectations from Covered Entities, and proposed actions for non-compliance.

Testing efforts are ongoing. This testing serves a vital purpose for this program's success. It is critical that entities and their associated TPAs adhere to set deadlines and data requirements to avoid potential proposed actions. If you have not initiated testing, please contact DMS at DMS340b@ky.gov.

DMS will notify Covered Entities and TPAs at least 90 days before the go-live date. Subject to potential changes at the federal or state level, the anticipated go-live date is July 1, 2025. Once the program is live, proposed actions will be enforced for those who do not adhere to the standard guidelines put into place during the testing phase. Testing will be conducted for any new entities, and all entities will be held to the same compliance expectations.

DMS requires all production files to be submitted on the 15th calendar day of the month following the end of each quarter – no earlier and no later. For example, data for quarter 1 (Jan-Mar) must be submitted on April 15.

Entities will be granted **one** resubmission for any erroneous file submission. If an error occurs, a corrected file must be resubmitted within two business days; otherwise, the claims for that quarter will be submitted for rebates, no exceptions. If the one resubmission file also results in an erroneous file submission, claims will be invoiced for rebates.

DMS is providing the following table to reflect the requirements and proposed action to address non-compliance.

Actions for Non-Compliance

Non-Compliance	Response Required by Date	Proposed Action
No participation form	End of quarter	Exclude participation for each quarter until compliant.
Non-responsive to emails from DMS related to participation within DMS deadline	DMS deadline	Exclude participation for each quarter until compliant.
Incorrect/Invalid participation form	End of quarter	Exclude participation for each quarter until compliant.
No response to 2nd email for SFTP connection by DMS deadline (for new participants)	DMS deadline	Exclude participation for each quarter until compliant.
Late response (1 to 2 days) to SFTP information (for new participants)	DMS deadline	Exclude participation for each quarter until compliant.
Production file: First error	Within 2 business days	Resubmit accurate report within two business days or excluded from participation for that quarter.
Production file: Second or subsequent error file	N/A	Excluded from participation for that quarter – invoice will be sent for that quarter's claims for rebates.
UAT testing: missing/erroneous files submission 5 times	DMS deadline	For each inaccurate file after the 5th attempt, DMS will exclude the entity from participation until compliant.
File naming convention is not correct	N/A	Resubmit accurate report within two business days or excluded from participation for that quarter.
Corrected files not submitted within 2 business days.	Within 2 business days	Exclude participation for that quarter – claims for the quarter will be invoiced for rebates

Additional information about the 340B program may be found on the DMS Pharmacy website at the following link: <https://www.chfs.ky.gov/agencies/dms/dpo/ppb/Pages/default.aspx>

If you have any questions about the 340B program or this notice, please contact DMS at DMS340b@ky.gov.